



U.S. Department of Justice

Southern District of Indiana

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FOR IMMEDIATE RELEASE:

**CARMEL BUSINESS MAN CHARGED IN CONNECTION WITH
\$1.4 MILLION LOSS IN ALLEGED SCHEME TO FAIL TO PAY
EMPLOYMENT TAXES AND UNEMPLOYMENT INSURANCE**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that SERGIO BUEZO, 40 years old, Carmel, Indiana, was charged today with mail fraud and failure to account for and pay over employee withholding taxes, following an investigation by the Department of Labor, Internal Revenue Service, Immigration and Customs Enforcement, Social Security Administration, Indiana State Police, the Indiana Workforce Development, and the Carmel Police Department.

The information alleges that BUEZO owned and operated Bayou Abatement, a company that did disaster reconstruction work including hurricane reconstruction in Florida. Bayou Abatement hired employees to travel to Florida, paid the employees hourly wages and purported

to withhold employees income and social security taxes. The information alleges that BUEZO withheld the taxes, but did not account for and pay over the federal taxes to the Internal Revenue Service. The information also alleges that Bayou Abatement was required to pay unemployment compensation taxes and establish an account with the Indiana Workforce Development to be used to pay unemployment compensation to former Bayou Abatement workers. Bayou Abatement did not register with the state or pay into the unemployment compensation fund. The charges allege that BUEZO spent the approximate \$1.4 million dollars that should have been paid to state and federal agencies on personal expenses including mortgage payments, automobiles, a boat, a swimming pool, home improvements and jewelry.

Gordon S. Heddell, Inspector General of the Department of Labor, said “This case sends a powerful message that both the abuse of workers’ rights and the failure to pay unemployment related taxes will not be tolerated. My office is committed to working with other law enforcement agencies in the investigation of individuals who engage in this type of criminal activity.”

BUEZO has filed a petition to enter a plea of guilty and a plea agreement in connection with the filing of the information.

On February 24, 2006, the United States obtained pre-indictment restraining order against BUEZO, restraining him from transferring certain assets including his residence pending the filing of the criminal charges.

According to Assistant United States Attorney Donna R. Eide, who is prosecuting the case for the government, BUEZO faces a maximum possible prison sentence of 20 year per count on the mail fraud and 5 years per count on the tax violations years and a maximum possible fine

of \$250,000 per count. An initial hearing will be scheduled before a U.S. Magistrate Judge in Indianapolis.

The information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

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